



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
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MEMORANDUM FOR ALL OIG, DOD, SES MEMBERS

SUBJECT: Changes to Senior Executive Service (SES) Performance Management System

On October 13, 2000, the Office of Personnel Management issued final rules on managing Senior Executive Performance. The Department of Defense issued its implementing guidance for the new rules on March 28, 2001. As a result, certain changes must be made to our SES Performance Management System 60 days prior to the beginning of the next SES appraisal period (July 1, 2001), for incorporation into the 2001-2002 appraisal period.

Under the new regulations, senior executives' performance plans must identify critical elements and performance requirements that are linked with strategic planning initiatives. Elements must reflect individual and organizational performance. "Critical element," is defined as a "key component of a senior executive's work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the executive's overall job performance unsatisfactory." A "performance requirement," is a statement of the performance expected for a critical element. The executive's performance plan must describe the level of performance expected for fully successful performance of the executive's work.

At the end of the appraisal period, performance is to be reviewed and evaluated by comparing the senior executive's performance against the performance elements and requirements in his or her performance plan. The appraisal must be based on both individual and organizational performance and take into account such factors as:

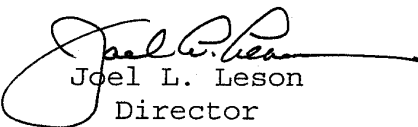
- a. Results achieved in accordance with the goals of the Government Performance and Results Act of 1993;
- b. The effectiveness, productivity, and performance quality of the employees for whom the senior executive is responsible;

c. Meeting affirmative action, equal employment opportunity, and diversity goals and complying with the merit system principles set forth under section 2301 of title 5, United States Code; and

d. Consideration of customer, employee, and other stakeholder perspectives.

The above changes to the SES Performance Management System are effective immediately. Any provisions of IGDH 1402.2, "Senior Executive Service Performance Planning and Appraisal System," dated July 1987, that are inconsistent with the foregoing, are superseded by this memorandum. The IGDH 1402.2 will be updated to reflect these changes.

Questions may be directed to Mrs. Linda Bechtoldt, Employee Relations Division, Personnel and Security Directorate, at (703) 602-4523.

  
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Director  
Office of Administration  
and Information Management

IGDH 1402.2  
A&IM  
JULY 1987

***SENIOR EXECUTIVE SERVICE  
PERFORMANCE PLANNING AND  
APPRAISAL SYSTEM***

**Reprinted to include Performance Plan and Evaluation**

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# OFFICE OF THE INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

## SENIOR EXECUTIVE SERVICE PERFORMANCE PLANNING AND APPRAISAL SYSTEM

### **I. Introduction And Definitions**

#### **A. Introduction**

##### **1. Authority**

a. The statutory authority for this system is identified in Title 5 of the United States Code (U.S.C.) Chapter III, as amended by Public Law (P.L.) 95-454, "Civil Service Reform Act of 1978," dated October 13, 1978, which adds Subchapter II, "Performance Appraisal in the Senior Executive Service." Section 4312 of Subchapter II requires each Federal Agency to develop one or more performance appraisal systems designed to:

(1) Permit the accurate evaluation of performance in any position on the basis of specific criteria related to the position and which specify the critical elements of the position.

(2) Provide for systematic appraisals of performance of senior executives (Senior Executive Service (SES) members).

(3) Encourage excellence in performance by senior executives.

(4) Provide a basis for retention in the SES and for SES performance awards.

b. The regulatory requirement covering this system is found in 5 CFR Part 430, Subpart C -- Performance Appraisal for the Senior Executive Service. Section 430.301(b) states that the purpose of this subpart is to ensure that performance appraisal systems for employees are used as a tool for executing basic management responsibilities by:

(1) Communicating and clarifying organizational goals and objectives.

(2) Identifying individual accountability for the accomplishment of agency goals and objectives.

(3) Evaluating and improving individual and organizational accomplishments.

(4) Using the results of performance appraisal as a basis for adjusting base pay, training, rewarding, reassigning, retaining, and removing employees.

##### **2. Policy**

a. It is the policy of the Office of the Inspector General, Department of Defense (OIG, DoD), that all members of the SES and their supervisors be kept aware of legal and regulatory issuances governing their employment and the administration of the SES within the Office of the Secretary of Defense (OSD). Accordingly, this performance appraisal system has been designed for members of the SES employed by the OIG, DoD. It is consistent with statutory and regulatory requirements and have been designed to maximize flexibility and to achieve the following objectives:

(1) Systematic appraisal, and fair and accurate evaluation of the performance of each senior executive.

(2) Encouragement of excellence in job performance and provision of a sound basis for the distribution of performance awards.

(3) Assistance to senior executives in improving unacceptable performance.

(4) Reassignment or removal of senior executives who continue to perform unacceptably.

(5) Contribution to organizational effectiveness.

b. In accordance with 5 CFR 430, Section 430.308, the OIG, DoD, will provide appropriate training and information to supervisors and senior executives on the appraisal process to ensure that the performance planning and appraisal system will be effectively implemented. An ad hoc committee from the Performance Review Board (PRB) members will be designated by the chairperson of the PRB to periodically evaluate the effectiveness of the system and ensure that any improvements developed are promptly implemented.

## B. Definitions

1. OSD Component. In the Department of Defense Reorganization Act of 1986, P.L. 99-433, dated October 1, 1986, it describes the organization of the DoD and specifies in Section 131, how the Office of the Secretary of Defense is composed. One of the components cited in paragraph 131(b) is "The Inspector General of the Department of Defense."

2. Appointing Authority. For the OIG, DoD, the appointing authority is the Inspector General, the head of the OSD component.

3. Critical Element. A portion of a position consisting of one or more duties and responsibilities that contributes toward accomplishing organizational goals and objectives and that is of such importance that "Unsatisfactory" performance on the element would result in "Unsatisfactory" performance in the position.

4. Rating Official. The rating official, also known as the immediate supervisor or the supervising official, is the person that makes the initial rating of a senior executive.

5. Senior Executive. A senior executive is a member of the SES and may also be referred to as an "SES member."

## II. SES Performance Appraisal Timetable

Key Dates	Related Activity
July 1	Start of an appraisal period.
Jan 1 (mid-cycle)	Progress review.
June 30	End of an appraisal period.
July 1	Performance evaluation (appraisal) and review for previous 12 months undertaken.
July (third week)	Appraisal and bonus information forwarded to OIG Personnel. PRB begins review process.

### **A. Basic Provisions**

1. Whenever an SES member is appointed, assigned, or detained for more than 120 days in a different position (with significant change in duties), a performance plan (critical elements and performance standards) must be developed.

2. Senior executives employed on June 30 of each year, shall receive an annual written appraisal of their job performance, provided they have been in the SES for a period of at least 90 days. An appraisal is required also for Presidential appointees who were career members of the SES who elected to continue SES benefits relating to performance appraisal, bonuses, or rank awards.

3. The annual appraisal period shall encompass the 12-month period beginning July 1 and ending June 30.

4. Senior executives entering on duty after July 1 shall receive an appraisal for the period beginning with their first day of employment and ending June 30.

5. This plan covers all SES members, including Career, Non-career, Limited Term, and Limited Emergency appointees.

### **B. Exceptions**

1. Appraisals of the performance of career SES members may not be made within 120 days after the beginning of a new Presidential administration.

2. The minimum appraisal period shall be 90 days.

3. If on June 30, the senior executive has not been a member of the SES for at least 90 days, the senior executive's appraisal period shall be extended for the amount of time necessary to meet the 90-day requirement, at which time a rating of record must be prepared.

4. Annual performance ratings shall be used as a basis for any RIF actions, except that a senior executive without an annual performance rating of record shall be given a performance rating before a RIF if the SES member has served in the SES for at least 90 days; if the SES member has not served in the SES for 90 days, he or she shall be assigned a presumed rating of Fully Successful.

5. If the immediate supervisor (rating official) of an SES member leaves his or her position after supervising the SES member for at least 90 days but before the end of the performance rating cycle, a summary rating for each subordinate's performance shall be prepared for the period supervised so that the succeeding supervisor will have enough information on which to base equitable rating and bonus recommendations at the end of the full rating period. Correspondingly, when an SES member leaves one job for another during the rating cycle, a summary rating for that period shall be completed by the immediate supervisor and either given to the senior executive (if the SES member is leaving the Federal Service) or sent to the new supervisor (if the senior executive is moving to another position within the agency or in another Federal Agency).

6. If the SES member enters a new position within the agency (e.g., by reassignment) during the rating period, a summary rating must be prepared at the time of reassignment. This is true even if the supervisor has supervised the SES member for only a short period. When the period has been short, the supervisor must use the evaluation data provided by former supervisors) earlier in the year in developing his/her appraisal.

7. A performance appraisal period may be terminated (after 90 days) in any case in which an adequate basis exists on which to appraise and rate the senior executive's performance.

### **III. Performance Planning And Evaluation**

A. Performance planning begins by identifying critical elements and standards of achievement (performance standards). These must be developed at the beginning of each appraisal period (July 1 of each year) or whenever a senior executive enters a different SES position in which he or she will serve a significant period of time before the end of the appraisal period. The rating official and SES member to be rated shall work together to develop the plan. It is expected that the final plan will be mutually acceptable. However, when agreement does not exist, the decision of the rating official is final.

B. According to law, the performance plan should address (but is not limited to) such factors as:

1. Improvements in efficiency, productivity, and quality of work or service to the public.
2. Cost efficiency.
3. Timeliness of performance.
4. Significant reduction in paperwork.
5. Meeting affirmative action goals and achievement of equal opportunity requirements.

6. Other indications of the effectiveness, productivity, and quality of performance of the individual within the scope of the SES member's position. Additionally, accomplishment of organizational objectives must be included in performance plans by incorporating organizational objectives, goals, program plans, work plans, or by other similar means that account for program results.

C. The OIG, DoD, Senior Executive Service Performance Plan and Evaluation form (IG Form 1402.3-1) will be used for all OIG, DoD, senior executives in fulfilling the performance planning and appraisal requirements of the SES program.

D. At the beginning of the appraisal period, the appropriate parts of the OIG, DoD, Senior Executive Service Performance Plan and Evaluation form (IG Form 1402.3-1) should be completed (Steps 1 through 3). The balance of the form (Steps 4 through 6) are completed when necessary. Instructions for the completion of the form are covered in the following pages, Steps 1 through 6.

E. The senior executive's immediate supervisor (rating official) shall retain the original plan and the senior executive shall receive a copy. Critical elements and performance standards must be communicated to SES members at or before the beginning of each appraisal period, with written performance plans provided normally within 30 days of the beginning of the appraisal period. Organizations may retain copies centrally in order to review, assess, and evaluate performance plans in relation to overall organizational mission, goals, and objectives. When copies are retained, they are to be held, safeguarded, monitored, and disposed of in accordance with Privacy Act regulations and the applicable Privacy Act System Notice.



## STEP 1. CRITICAL ELEMENTS

### A. Requirements

1. Critical elements are the major responsibilities of the position. Less than satisfactory performance in a critical element may be the basis for reassigning, removing, or reducing the pay of the senior executive.
2. The first step in the development of the performance plan is for the rating official and the senior executive (the individual to be rated) to identify the critical elements (that is the most important work to be performed).
3. One critical element must relate to the achievement of equal employment opportunity principles and objectives.
4. Significant internal control responsibilities assigned to management officials must be measured in performance appraisals, wherever appropriate. Critical elements and performance standards reflecting such responsibilities must be incorporated into the senior executive's performance plan. (See also Appendix F.)

### B. Considerations

1. When identifying critical elements, one should consider:
  - a. The major functional responsibilities (i.e., program performance, management duties, and individual initiatives).
  - b. The value of the responsibility.
  - c. The consequence of error or neglect.
  - d. The effect of achievement or non-achievement on the organization.
  - e. The overall mission of the organization, legislation, and current agency priorities.
2. Performance plans are normally comprised of at least three and not more than nine critical elements, which address various aspects of organizational objectives, management performance, program performance, and individual assignments. Although the performance plans should be compatible with the position description, only the most important responsibilities shall be included in the plan.
3. It is important that resource requirements be discussed early in the planning process. If a performance plan is contingent upon receipt of resources (e.g., a contractor product) not under the senior executive's control, this should be noted.

## STEP 2. PERFORMANCE STANDARDS

**A. Requirements.** After identifying all the critical elements, it is necessary to specify performance standards for each. Performance standards (standards of achievement) describe specific expectations or requirements in sufficient detail to serve as a basis for evaluating performance.

### **B. Considerations**

1. Performance standards should describe explicit goals or should describe the conditions that will exist when a critical element is performed satisfactorily. Standards should be geared to the average performer. Standards must reflect expectations for "Fully Successful" performance. The absence of a written standard at other rating levels will not preclude the assignment of a rating at those levels.

2. To the extent possible, each performance standard should be:

- a. Relevant: Directly related to the job.
- b. Achievable: Able to be accomplished within reasonable constraints of time and resources.
- c. Measurable: Described so that the expected quality or quantity of performance can be observed.
- d. Explicit: Likely to be interpreted in the same way by most readers. Avoid use of vague terms such as "approximate," "desirable," and "reasonable."
- e. Judgeable: Defined in such a manner that, by the end of the appraisal period, it is evident whether and to what extent a given standard was met.

3. Performance standards are most frequently defined and expressed in terms of:

- a. Quality of work expected.
- b. Time limit or deadlines within which the work should be performed.
- c. Quantity of work expected.
- d. Cost-effectiveness with which work must be performed.
- e. Methods to be used in performing work.

4. The expression of performance standards should not be limited to just those areas outlined above because there may be some specific performance standards that are more relevant than those suggested. Even though performance standards addressing the quality of work are often difficult to write, they should be developed if the quality of work is the actual criterion on which the work should be assessed.

5. Some sample performance standards and the critical elements they relate to are shown in Appendix E.

### **STEP 3. ACKNOWLEDGMENT OF CRITICAL ELEMENTS AND PERFORMANCE STANDARDS**

- A. Both the senior executive and the rating official must initial the performance and evaluation plan in the appropriate place. This indicates that the rating official approves the critical elements and performance standards and that the senior executive is aware of the performance plan. The rating official makes the final decision on content and form of the critical elements and performance standards. Unless there are additional intra-organizational directives for a higher level organizational review before finalization, the performance plan is now done.
- B. The rating official retains the original in a manner consistent with Privacy Act regulations, and the senior executive whose plan it is receives a copy, normally within 30 days of the beginning of the appraisal period.
- C. When senior executives are detailed, and the detail is expected to last 120 days or longer, they will be given written critical elements and performance standards as soon as possible, but no later than 30 calendar days after the beginning of the detail. Ratings on critical elements must be prepared for these details and considered in deriving the next summary performance rating of record.

## **STEP 4. PROGRESS REVIEW AND PERFORMANCE PLAN MODIFICATION (IF ANY)**

### **A. Requirements**

1. In accordance with 5 CFR 430.305(e) a progress review shall be held for each senior executive at least once during the appraisal period. At a minimum, the senior executive shall be informed of their level of performance by comparison with the performance elements and standards established for their positions. If it has been determined that there is a requirement for a modification to an established performance plan, they will be made in accordance with this Step 4.
2. There must be at least one documented occasion during each appraisal period on which performance is discussed with the individual SES member being rated. It should be approximately in the middle of the appraisal period, and should be scheduled to allow sufficient time for adjustment and observation of performance before the end of the appraisal period.
3. Both the rating official and the senior executive must sign and date each entry made on the appraisal form to document the review. The rating official is to retain the original in a manner consistent with Privacy Act regulations, and will provide a copy to the senior executive being rated.

### **B. Considerations**

1. Additional progress reviews may be scheduled at any time during the appraisal period, at the initiative of either party. In addition to modifying performance plans and reviewing progress, review meetings present an opportunity to identify and solve work problems, to discuss poor performance, and to identify development needs or any corrective actions required. Senior executives with performance considered below the "Fully Successful" level shall be provided assistance in improving performance, such as: formal training, on-the-job training, counseling, or closer supervision.
2. As the work situation or the organization priorities change, the senior executive's performance plan should be modified to reflect those changes. Space is provided on the appraisal form for any necessary modifications, which become apparent after the original plan has been agreed upon and signed. It is important not to erase, delete, or alter in any way any part of the original plan when making modifications, as changes in the plan should be apparent. For any modification in the plan during the last quarter of the appraisal period, particular consideration should be given to performance expectations in relation to the time remaining in the appraisal period.

## STEP 5. PERFORMANCE APPRAISAL (EVALUATION)

A. On or about June 30, the rating official (immediate supervisor) meets with the senior executive to:

1. Discuss performance to date.
2. Discuss executive development plans.
3. Establish a performance plan for the coming year.

B. Making the actual performance appraisal (evaluation).

1. A rating official completes the performance appraisal (Step 5) on page 4 and the appropriate portion of Part A of the Senior Executive Service Performance Plan and Evaluation form (IG Form 1402.3-1) for every SES member<sup>1</sup> who has been on board within the organizations covered by this appraisal system for at least 90 days.<sup>2</sup> The evaluation must include a narrative description of the senior executive's performance in relation to established critical elements and performance standards. The evaluation and the criteria used to determine performance shall consider both the senior executive and his/her organization and shall take into account such factors as the senior executive's:

a. Impact on efficiency, productivity, and quality of work or services performed, including any significant reduction in paperwork.

b. Impact on cost efficiency.

c. Timeliness of performance.

d. Impact on effectiveness, productivity, and performance of subordinate employees.

e. Meeting affirmative action goals and achievement of equal employment opportunity requirements.

2. The rating official narratively describes the level of achievement and assigns an adjectival descriptor for each critical element taking into consideration the established performance standards for each of the critical elements. The five adjectival descriptors are: Outstanding; Exceeds Fully Successful; Fully Successful; Minimally Satisfactory; and Unsatisfactory. In assigning one of these adjectival descriptors, the rating official should consider such factors as: achievements, opportunity to achieve, risk, visibility, the consequences of failure, etc.

C. The established performance standards and the organization's procedures for deriving summary ratings shall be consistent with the following definitions of each rating level:

1. "**Outstanding**" means performance of rare very high quality. As warranted, an Outstanding performer produces an exceptional quantity of work significantly ahead of established schedules or deadlines and with very little supervision.

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<sup>1</sup> This includes Presidential appointees who were previously SES career members who elected to continue SES benefits.

<sup>2</sup> Any SES member who joined the organization by reassignment or transfer fewer than 90 days before the end of the performance period, would be eligible for an appraisal and a bonus, assuming the supervisor of record at the end of the rating period obtains information from the losing organization to substantiate such a conclusion. Senior executives in the SES fewer than 90 days as of June 30 shall have their appraisal period extended for the amount of time necessary to meet the minimum appraisal period (i.e., 90 days) at which time a rating of record shall be prepared.

2. "Exceeds Fully Successful" means performance of unusually good or excellent quality. As warranted, the employee produces a very high quantity of work ahead of established schedules or deadlines and with less than normal supervision.
  3. "Fully Successful" means performance which is of good quality. The employee produces the expected quantity of work and meets deadlines or schedules for completion of work.
  4. "Minimally Satisfactory" means performance which is not "Unsatisfactory", but needs improvement to achieve the "Fully Successful" level. This may be evidenced by the need for close supervisory review, discussion and correction of work products.
  5. "Unsatisfactory" means performance which fails to meet established performance standards in one or more critical elements of the senior executive's position.
- D. The rating official, in the appropriate portion of Part A on the front of the form, assigns a summary rating of "Outstanding," "Exceeds Fully Successful," "Fully Successful," "Minimally Satisfactory," or "Unsatisfactory," and a recommendation for a bonus, if applicable. In assigning one of these summary ratings for the senior executive's total performance, the assignment should be generally consistent with the following decision table:
1. Outstanding: No critical element rated below "Exceeds Fully Successful," with the majority designated "Outstanding."
  2. Exceeds Fully Successful: No critical element rated below "Exceeds Fully Successful," with the majority designated "Exceeds Fully Successful."
  3. Fully Successful: All ratings "Fully Successful" or better for all critical elements, with the majority designated "Fully Successful."
  4. Minimally Satisfactory: One or more ratings of "Minimally Satisfactory," for any critical element with no ratings below "Minimal Satisfactory."
  5. Unsatisfactory: One or more ratings of "Unsatisfactory," assigned any critical element.

E. The summary rating given a senior executive by the rating official must take into account any performance ratings assigned critical elements prepared for details or temporary assignments lasting 120 days or longer. When senior executives are detailed outside of the agency, the supervisor must make a reasonable effort to obtain appraisal information from the outside organization, which shall be considered in deriving the senior executive's next rating of record.

F. The rating official (immediate supervisor) in the initial rating (summary rating in Part A) or subsequent reviewers may make recommendations for bonuses, if appropriate. Such recommendations should be submitted in supplemental narrative form and should be done in the format as shown in Appendix D.

1. A rating of "Unsatisfactory" requires either the transfer, reassignment, or removal of the senior executive. Any senior executive receiving two ratings of "Unsatisfactory" in 5 consecutive years shall be removed from the SES.
2. Ratings of "Minimally Satisfactory" and "Unsatisfactory" are considered less than acceptable and any senior executive who receives either a "Minimally Satisfactory" or "Unsatisfactory" rating two times in 3 consecutive years shall be removed from the SES.

G. The rating official provides the senior executive with a copy of the initial appraisal and recommended summary rating and, noting that initialing need not indicate agreement to the initial appraisal, asks that the senior executive to initial where indicated on page 4, in Step 6. At this time, the senior executive must be advised that he/she has an opportunity to respond in writing and to have the initial appraisal and the response reviewed by someone at a higher executive level (if there is one) than the rating official. If such a review is requested and the senior executive is at the organizational level less than an Assistant Inspector General, the review will be made by the Deputy Inspector General, otherwise the review will be made by the OSD component head, the Inspector General, Department of Defense. This higher level review is accomplished before the review of the appraisal documents by the Performance Review Board (PRB); all related documents, including the senior executive's response, and reviewer's comments, are provided to the PRB, the senior executive, and the immediate supervisor (rating official).

H. The originals of the completed performance plan and evaluation form and any supplemental material are to be sent forward, through the established review channels, in keeping with the timetables presented in this appraisal system.

## STEP 6. ACKNOWLEDGMENT OF EVALUATION

**A. Requirements.** Supplemental narrative documentation must be provided when recommending a performance award (bonus), or removal from the SES. It should be prepared by the rating official (immediate supervisor) or a higher level supervisor and should substantiate the action recommended in terms of activities and achievements. The format to be followed for the bonus recommendations is shown in Appendix D.

**B. Recommendations Relating to Basic Pay (Pay Level Adjustments).** Salary adjustments other than comparability adjustments are not made more than once in any 12-month period. Salaries correspond to one of the six specified SES salary rates. Salaries may be increased any number of levels; but salary decreases may not exceed one level per year, and must be preceded by written notice at least 15 days before the reduction. Salary adjustments are processed separately from the annual performance appraisal cycle even though performance may be the basis for the adjustment.

**C. Recommendations for Performance Awards (Bonuses)**

1. Performance awards (bonuses) are lump-sum payments that may be awarded to SES members having "Fully Successful" (or above) performance ratings. The SES bonuses are limited by the following restrictions:

a. A maximum of 3 percent of aggregate career SES basic pay for the previous fiscal year is established as a "pool" from which bonuses are paid.

b. Individual awards must equal a minimum of 5 percent of basic pay.

c. Individual awards may not exceed a maximum of 20 percent of basic pay.

2. The payable rates as of the end of-the performance year (rather than the scheduled rates if different) are to be used as the basis for computing all benefits, and for computing the maximum performance awards that may be paid SES members under Section 5384(b)(2) of Title 5, U.S.C., in any given fiscal year. The total amount of pay and awards received by a senior executive during any fiscal year may not exceed the annual rate payable for positions at Level I of the Executive Schedule (i.e., the level of the Secretary of Defense). Amounts in excess of this limit may, however, be "rolled over," and are paid at the beginning of the next fiscal year in a lump sum.

3. A Rank Award (Distinguished Executive or Meritorious Executive) may not be received in the same calendar year that a bonus is received. Appendix D indicates the required documentation needed to support bonus recommendations.

**D. Recommendations for Incentive Awards.** Supervisors may use incentive awards to recognize a specific one-time accomplishment, a suggestion, an invention or a scientific achievement made by a senior executive. However, they are inappropriate for rewarding sustained superior performance by SES members. The Inspector General, as agency head, is charged with reviewing all incentive awards prior to their approval for senior executives in organizations covered by this appraisal system. Although incentive awards are not required to be reviewed by the PRB(s), the Inspector General might find advice of the PRB from an SES perspective to be beneficial in his or her determination of the appropriateness of such an award. For further information, refer to OIG, DoD, instructions on incentive awards.

**E. Recommendations for Presidential Rank Awards.** These awards are made by the President to career senior executives for career achievements. Nominations are solicited on a schedule separate from the annual performance evaluation cycle and are not reviewed by the PRB(s).



**F. Recommendations for Retention and Demotion**

1. A non-probationary SES member who receives an overall performance rating of "Unsatisfactory" must be reassigned or transferred within the SES or removed to a continuing position at GS-15 or equivalent.
2. A non-probationary SES member who receives two overall performance ratings of "Unsatisfactory" within a 5-year period must be removed from the SES to a continuing position at GS-15 or equivalent.
3. A non-probationary SES member who twice, in any period of 3 consecutive years, receives less than "fully successful" performance ratings must be removed from the SES to a continuing position at GS-15 or above or equivalent.
4. An SES member who is serving a probationary period and whose performance does not meet expectations is covered under probationary period removal and placement regulations.

**IV. Review of Recommendations.** After the immediate supervisor completes his or her recommendations, he or she forwards the appraisal to intervening level reviewers (if any). The Performance Review Board (PRB) is responsible for the review of all SES appraisal recommendations.

**A. For Ratings of SES Members Covered by the OIG, DoD, PRB.** Considering all incoming recommendations and organizational constraints, the intervening level reviewer forwards:

1. Recommended appraisals and ratings.
2. Employee responses.
3. Reviewer comments.
4. Bonus recommendations in order of priority.
5. Other supporting information.

6. His or her recommendations, as appropriate and necessary to the Personnel and Security Division, Room 434, 400 Army Navy Drive, Arlington, Virginia 22202-2884. The Personnel and Security Division will manage the subsequent review processes for the PRB.

**B. OIG PRB Review**

1. In accordance with 5 CFR 430.307, the PRB in the OIG, DoD, is constructed with the membership consisting of three or more members of which over one-half are career SES members all of which are appointed by the Inspector General. The members of the PRB must be appointed in such a manner as to assure consistency, stability, and objectivity in performance appraisal. Individual PRB members will not take part in any PRB deliberations involving their own appraisals. Notice of appointment to the PRB will be published in the Federal Register.

a. Fairly and impartially review initial performance appraisals, senior executives responses, reviewer comments, additional supporting information, information provided by the appointing authority, summary ratings, and performance award recommendations.

b. Conduct such further review as necessary.

c. Determine the reasonableness, equity, and consistency of each appraisal and related recommendations reviewed.

d. Determine that ratings above Fully Successful are awarded in only those cases where performance exceeds normal expectations.

e. Make appropriate written recommendations to the appointing authority on each rating (there is no prescribed distribution of ratings).

f. Make bonus recommendations in order of priority to the appointing authority.

g. Make appropriate written recommendations to the appointing authority concerning the transfer, reassignment, or removal from the SES of any senior executive whose performance is considered to be less than Fully Successful.

2. The work of the OIG PRB may be accomplished through subordinate panels if needed. If there are subordinate panels, all bonus recommendations from the subordinate panels are to be placed in order of priority.

3. The Chairperson of the OIG PRB is appointed by the Inspector General. The Chairperson is to assure that all PRB bonus recommendations are presented to the appointing authority in one list in order of priority. The bonus list will be developed by the Chairperson with the assistance of at least two other PRB members designated by the Chair.

**C. The Appointing Authority (The Inspector General)**

1. Considers all incoming material.
2. Decides on final ratings and personnel actions (such as transfer, reassignment, and removal).
3. Decides who will receive bonuses.
4. Decides within what ranges or of what amounts those bonuses will be.

**V. Disagreement with Final Rating**

A. Although SES members are covered by agency grievance procedures, the Office of Personnel Management has determined that the following matters may not be grieved:

1. The substance of the critical elements and performance standards.
2. A performance appraisal.
3. The granting or failure to grant a performance award.

B. Complaints of unlawful discrimination will be processed through EEO channels under applicable procedures. In addition, complaints about prohibited personnel practices may be appealed to the Merit Systems Protection Board. The personnel office should be contacted for information on how to proceed in these areas.

## APPENDIX A RESPONSIBILITIES

- A. The Inspector General oversees operation and administration of the OIG SES performance appraisal system.
- B. The Inspector General:
1. Reviews the SES Performance Plan and Evaluation form (IG Form 1402.3-1), employee response, and any comments by second-level supervisor or other reviewer.
  2. Approves the lists of nominees for bonuses.
  3. Approves the SES Performance Plan and Evaluation forms received from the OIG, DoD, Performance Review Board.
- C. The Immediate Supervisor (rating official) of each senior executive:
1. In consultation with the senior executive, develops critical elements and performance standards before the beginning of each rating period, that:
    - a. Reflect the specific duties and responsibilities of the senior executive to be rated.
    - b. Identify the major responsibilities of the duties to be performed.
    - c. Establish the quantitative and qualitative performance standards to be met and results to be attained.
    - d. Identify target dates for accomplishment and key milestone indicators.
  2. Records the critical elements and performance on the SES Performance Plan and Evaluation form (IG Form 1402.3-1). This plan may be adjusted in consultation with the executive during the appraisal period.
  3. Provides a copy of the performance plan and any amendments to the senior executive.
  4. Conducts and documents a progress review halfway through the cycle with the senior executive.
  5. Evaluates the performance of each senior executive at the end of the appraisal period by:
    - a. Appraising his or her performance against the established performance on standards and completing the senior executive's SES Performance Plan and Evaluation form (IG Form 1402.3-1) to include:
      - (1) A narrative evaluation of the senior executives performance on each critical element.
      - (2) An adjectival rating for each critical element.
      - (3) A recommendation for summary rating.
      - (4) As desired and appropriate, a recommendation for:

(a) Transfer, reassignment, or removal from the SES of any senior executive whose performance has been unsatisfactory.

(b) Nomination for a bonus for any career senior executive whose performance has been rated as fully successful or higher and warrants financial reward;

b. Providing the senior executive an opportunity to review the initial rating and to respond in writing.

c. Forwarding the SES Performance Plan and Evaluation form (IG Form 1402.3-1) to the second-level supervisor if appropriate.

**APPENDIX B**  
**LOCATION AND AVAILABILITY OF SES EVALUATION DOCUMENTS**

A. During each ongoing rating cycle, the rating official shall retain the original plan and any necessary supporting information in a work folder and provide a copy to the individual who is rated. Completed appraisals (and all related performance appraisal documentation) of senior executives will be retained by the OIG, DoD, personnel and security office for 5 years. When supervisors or other local operating offices retain performance documents, these documents are part of the Privacy Act system of records established by the Office of Personnel Management and must be retained and disposed of in accordance with applicable Privacy Act regulations

B. The SES Performance Plan and Evaluation forms, including supplemental narrative, written reviews by higher level officials, and PRB recommendations, will be available to individuals being rated during all phases of the rating process. In addition, the completed forms will also be available to line official, to the supervisor of the individual being rated, and to other officials having a need to know the process of recommending, reviewing and approving ratings, and of determining bonuses, ranks, and pay.

C. Requests for access by others to the performance appraisal material will be dealt with under the "routine use" provision of the Privacy Act notice or under Freedom of Information Act access provisions and procedures.

**APPENDIX C**  
**PERFORMANCE WHILE ON SABBATICAL**

The performance of an SES member on sabbatical should be subject to appraisal in the same manner as for SES members generally, but evaluated against standards appropriate to activities involved in the sabbatical. As a matter of policy, it is not appropriate to award bonuses for performance on sabbatical. The SES members are not precluded from receiving bonuses while on sabbatical for performance before the sabbatical began.

**APPENDIX D**  
**REQUIRED FORMAT FOR PERFORMANCE AWARD (BONUS)**  
**RECOMMENDATIONS**

- A. Memorandum format
- B. On letterhead
- C. For the Office of the Inspector General
- D. Subject: Performance Award Recommendations for (Name)
- E. No more than two pages of specific and substantive justification.



**APPENDIX E**  
**SAMPLE CRITICAL ELEMENTS AND PERFORMANCE STANDARDS**

1.	Program Management.....	25
2.	Fiscal Position.....	27
3.	Program Management Position.....	28

## 1. PROGRAM MANAGEMENT POSITION

Critical Elements	Performance Standards
Executive Program. Improvement Plan	<p>For the rating period, performance on the FY 8x DoD xxx Objectives will be satisfactory if:</p> <ul style="list-style-type: none"> <li>• The xxx Program Improvement Conference is held and a consolidated list of DoD xxx Objectives is issued by the end of the calendar year 198x.</li> <li>• At least 50 percent of all Objectives assigned to xxx and scheduled for completion by June are actually completed in that timeframe.</li> </ul>
Institute a reliability/maintainability program.	In FY 8x a Directive will be issued to increase emphasis on front-end design to improve operational values and provide life cycle traceability.
Revise xxx Guidance Handbook.	<p>Identify areas needing improvement by December 31.</p> <p>Develop a workplan to accomplish necessary revisions by January 31.</p> <p>Accomplish all scheduled milestones (February - June) by June 30.</p>
Update and consolidate existing OIG, DoD, policy relating to budgeting, accounting, reporting, billing, and collecting into a Handbook.	<p>Develop an outline and work plan by November 15.</p> <p>Accomplish those milestones scheduled for completion on or before June 30.</p>
Prepare alternatives for xxx facility financing for xxxx and subsequent Congressional review.	Satisfactory if alternatives are derived and presented to xxxx and introduced to Congressional staffs with substantive backup before February 15.
Recruit, evaluate, and maintain morale of staff.	<p>The indicators of success are:</p> <ul style="list-style-type: none"> <li>• Full staffing: highest quality recruits possible.</li> <li>• All staff members fully employed on useful, challenging work.</li> <li>• Outstanding staff members appropriately rewarded.</li> <li>• All staffers know what is expected of them.</li> <li>• All staffers have achievable career goals and plans to achieve them.</li> </ul>
Actively support the Equal Employment Opportunities and Affirmative Action objectives.	<p>With respect to vacancies and promotions, performance is satisfactory when the incumbent has demonstrated a good faith effort to recruit highly qualified minorities, women, and handicapped candidates for vacancies as they become available. The quality and success of the search would be the basis for the evaluation. With respect to supervision of staff, performance is satisfactory when all support staff, especially minority, female, and handicapped staff members have received career counseling and have individual career development plans.</p>

<p>Maintain Internal Controls* necessary to meet requirements of OMB Circular No. A-123 and Federal Manager's Financial Integrity Act (P.L. 97-255).</p>	<p>Develop and maintain an organization, procedures, and practices, which provide. reasonable awareness that:</p> <ul style="list-style-type: none"> <li>• obligations and costs are in compliance with applicable laws.</li> <li>• funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation.</li> <li>• revenues and expenditures applicable to Agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets, and</li> <li>• resources are efficiently and effectively managed.</li> </ul>
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\* May be used for any position as appropriate.

## 2. FISCAL POSITION

Critical Elements	Performance Standards
Manage the Organization.	Execute all administrative responsibilities adequately and on time (space, personnel, EEO, budget, procurement, etc.). Identify, attract, and recruit talented senior staff. Provide staff with opportunities for professional growth. Assure an adequate level of productivity from all staff or generate corrective action. Assure that all professional staff members are operating with professional maturity.
Ensure that staff papers are delivered on time, well in advance of meetings, trips, etc. Ensure full and expeditious responses to all inquiries.	Talking papers for meetings, etc., delivered to the Chief two evenings before occasion, or 48 hours after agenda received, whichever is earlier. All inquiries answered 72 hours after receipt.
Supervise preparation of the semiannual reports to Congress on DoD audit, inspection, and investigation organizations pursuant to Section 2(c)(1), P.L. xx-xxx.	Final draft of the report for the period 10/1/xx through 3/31/xx to be ready for review by the Chief by May 20.
Supervise preparation of the DoD annual report of audit operations.	Final draft of the report for FY xx to be completed and ready for review by the Chief by June 30.
Establish a system to account for and control the projects assigned to xxxx Directorate personnel.'	System scheduled to be operative by September 30.
Initiate program policy changes as appropriate.	Initiate at least two significant projects (one involving development or refinement of OIG audit policy and one involving the evaluation of the adherence or implementation of OIG audit policy) by June 30.
Assure development of staff.	Update all IDP's concurrent with annual appraisals.  During the first half of the year, implement 50 percent of training scheduled for the year.
Support the Affirmative Action Program.	Emphasis on recruitment of minorities/women will be evidenced by addition of women/minorities to professional staff.  Establish/restructure position at lower level to provide an Affirmative Action opportunity.  Arrange 'for a qualified minority faculty member of a minority institution to spend the summer or take sabbatical in the organization.

### 3. PROGRAM MANAGEMENT POSITION

Critical Elements	Performance Standards
Implement long-range planning function.	Performance is satisfactory when, by June 19xx, has established an in-house capability for long-range planning and policy formulation to meet future program requirements, which will anticipate, as opposed to respond to, trends, innovations, and state-of-the-art changes.
Office management and administration of resources is improved.	Performance is satisfactory when, in addition to executing current responsibilities, the following administrative improvements have been implemented by June 1: (1) establishment of controls and organizational responsibilities for reviewing external audit reports, to ensure implementation of findings, or preparation of objections to findings, as appropriate, in a timely manner; (2) implement procedures to effectively analyze manpower requirements, and ensure that allocation of available resources is based upon an objective assessment of organizational responsibilities to reduce the number of vacant positions, to ensure that on-board strength is at no time lower than 90 percent of authorized strength.
Provide organization-wide supervision on the preparation of Congressional testimony.	Performance is satisfactory when Congressional testimony for the OIG or OSD is prepared at least 72 hours before testimony date and back-up books are completed at least 24 hours before testimony.
Oversee the final review in the xxxx Appeals System.	Performance is satisfactory when the final review process is completed and coordinated within the OIG or OSD for 75 percent of the cases annually in less than 20 working days following receipt of case file.
Improve the representation of minorities and women through affirmative recruitment, placement, and development.	Performance is satisfactory when by April 1, 198x, the following administrative improvements have been implemented: (1) establish and publish procedures to assure recruitment efforts are designed in a manner that will attract qualified applicants from all groups, (2) provide for a periodic review of all placement actions to assure that placements are being made in accordance with established merit principles and procedures. At least semiannually, an analysis will be conducted by occupational series and organizational units to determine whether an out-of-balance situation exists, and (3) Establish procedures to provide equal training opportunities for all employees, and ensure fulfillment of all legitimate training needs.

<b>SENIOR EXECUTIVE SERVICE PERFORMANCE PLAN AND EVALUATION</b> This form is to be used in conjunction with the Office of the Inspector General, Department of Defense Senior Executive Service Performance Planning and Appraisal System	
<b>PART A - TO BE COMPLETED BY SUPERVISOR (RATING OFFICIAL)</b>	
1. NAME OF EMPLOYEE (Last, First, Middle initial)	2. TITLE OF POSITION
3. NAME OF ORGANIZATION	4. KIND OF SES APPOINTMENT (X one)
	<input type="checkbox"/> CAREER <input type="checkbox"/> LIMITED <input type="checkbox"/> NON-CAREER
5. APPRAISAL PERIOD	6. SES PAY LEVEL AT COMPLETION OF APPRAISAL PERIOD
a. FROM	ES -
b. TO	
7. SUMMARY RATING RECOMMENDED BY IMMEDIATE SUPERVISOR (Rating Official)	
<input type="checkbox"/> OUTSTANDING <input type="checkbox"/> EXCEEDS FULLY SUCCESSFUL <input type="checkbox"/> FULLY SUCCESSFUL <input type="checkbox"/> MINIMALLY SATISFACTORY <input type="checkbox"/> UNSATISFACTORY	
8. (X) IF APPLICABLE <input type="checkbox"/> BONUS RECOMMENDED BY SUPERVISOR (Attach supplementary narrative)	
9a. TYPED NAME OF SUPERVISOR (Last, first, middle initial)	9b. SIGNATURE OF SUPERVISOR AND DATE SIGNED
<b>GENERIC STANDARDS FOR MINIMALLY SATISFACTORY AND UNSATISFACTORY</b> (Applicable to all critical Elements)  <u>MINIMALLY SATISFACTORY:</u> WORK PRODUCED MARGINALLY MEETS THE EXPECTED QUANTITY, QUALITY, OR DEADLINES ESTABLISHED FOR FULLY SUCCESSFUL. PERFORMANCE ON THIS CRITICAL ELEMENT NEEDS IMPROVEMENT TO ACHIEVE THE FULLY SUCCESSFUL LEVEL. THIS MAY BE EVIDENCED BY THE NEED FOR CLOSE SUPERVISION, REVIEW, DISCUSSION AND CORRECTION OF WORK PRODUCTS.  <u>UNSATISFACTORY:</u> PERFORMANCE FAILS TO MEET STANDARD FOR FULLY SUCCESSFUL.	
<b>PART B - TO BE COMPLETED BY PERFORMANCE REVIEWERS</b>	
10a. FINAL RATING RECOMMENDED BY PERFORMANCE REVIEW BOARD (X ONE)	
<input type="checkbox"/> OUTSTANDING <input type="checkbox"/> EXCEEDS FULLY SUCCESSFUL <input type="checkbox"/> FULLY SUCCESSFUL <input type="checkbox"/> MINIMALLY SATISFACTORY <input type="checkbox"/> UNSATISFACTORY	
10b. X IF APPLICABLE <input type="checkbox"/> SUPPLEMENTARY MATERIAL WAS CONSIDERED AND IS ATTACHED.	
11a. SUMMARY PERFORMANCE RATING (FINAL RATING)	
<input type="checkbox"/> OUTSTANDING <input type="checkbox"/> EXCEEDS FULLY SUCCESSFUL <input type="checkbox"/> FULLY SUCCESSFUL <input type="checkbox"/> MINIMALLY SATISFACTORY <input type="checkbox"/> UNSATISFACTORY	
11b. X IF APPLICABLE <input type="checkbox"/> BONUS APPROVED (List amount)	
12a. SIGNATURE OF APPOINTING AUTHORITY	12b. DATE SIGNED

STEP 1 - CRITICAL ELEMENTS	STEP 2 - PERFORMANCE STANDARDS
<p>THESE MAJOR RESPONSIBILITIES SHOULD BE BROAD IN SCOPE, LIMITED IN NUMBER, AND CLEARLY DISTINGUISHABLE FROM ONE ANOTHER. <u>AT LEAST ONE CRITICAL ELEMENT RELATED TO EQUAL OPPORTUNITY IS REQUIRED.</u></p>	<p>LINE UP EACH BESIDE THE CRITICAL ELEMENT TO WHICH IT PERTAINS. STATE THE STANDARD AS SPECIFICALLY AS POSSIBLE SO THAT EXPECTATIONS ARE CLEAR (I.E., AT WHAT LEVEL, WITHIN WHAT TIME FRAME, IN WHAT WAY, AND HOW THE ACTUAL LEVEL OF ACHIEVEMENT WILL BE DETERMINED.</p>
STEP 3 - ACKNOWLEDGMENT OF CRITICAL ELEMENTS AND PERFORMANCE STANDARDS	
<b>a. SENIOR EXECUTIVE</b>	
(1) I AM AWARE OF THESE CRITICAL ELEMENTS AND PERFORMANCE STANDARDS.	(2) INITIALS OF SENIOR EXECUTIVE _____ AND DATE INITIALED _____
<b>b. RATING OFFICIAL</b>	
(1) THESE CRITICAL ELEMENTS AND PERFORMANCE STANDARDS HAVE BEEN DISCUSSED WITH THE SENIOR EXECUTIVE SERVICE MEMBER.	(2) INITIALS OF RATING OFFICIAL _____ AND DATE INITIALED _____

**STEP 4 - PROGRESS REVIEW AND PERFORMANCE PLAN MODIFICATION (IF ANY)**

USE THE SPACE BELOW TO BRIEFLY COMMENT ON PROGRESS AND TO SHOW ANY MODIFICATION OF CRITICAL ELEMENTS OR STANDARDS. THE EXECUTIVE'S AND RATER'S SIGNATURES AND THE DATE(S) MUST FOLLOW EACH ENTRY. IF ADDITIONAL ROOM IS NEEDED, RECORD COMMENTS ON PLAIN PAPER, SIGN, AND ATTACH. IF CRITICAL ELEMENTS AND/OR STANDARDS OF ACHIEVEMENT ARE ADDED OR CHANGED, FORMAT AS SHOWN IN STEPS 1, 2, 3, AND 5, SHOWING DATE CLEARLY.



ACTUAL ACHIEVEMENTS						
<b>STEP 5 - PERFORMANCE APPRAISAL (EVALUATION)</b>						
<p>LINE UP EACH EVALUATION BESIDE THE CRITICAL ELEMENT AND PERFORMANCE STANDARD TO WHICH IT PERTAINS.</p> <p>DESCRIBE ACHIEVEMENTS PRECISELY SO THAT THE PERFORMANCE CAN BE EVALUATED IN TERMS OF HOW WELL EACH OBJECTIVE WAS MET. EACH ELEMENT RECEIVES ONE OF THE FIVE RATINGS INDICATED AT RIGHT; THESE ELEMENT RATINGS FORM THE BASIS FOR THE OVERALL PERFORMANCE RATING.</p>						
<p>THE ABOVE RATINGS WERE GIVEN BY THE RATING OFFICIAL</p> <p>TYPED NAME: _____ DATE SIGNED: _____</p> <p>SIGNATURE: _____</p>						
<b>STEP 6 - ACKNOWLEDGMENT OF EVALUATION.</b>						
a. I am aware of and have received a copy of this initial rating of my performance.						
b. X ONE		(1) I DO		(2) I DO NOT	wish to provide a written response for review by a higher official	
c. INITIALS OF SES MEMBER AND DATE INITIALED.						

**PART C - COMMENTS AND SUPPLEMENTARY INFORMATION - OPTIONAL**

THIS SECTION IS TO BE USED AT THE END OF THE RATING PERIOD, AND MAY BE USED BY THE SES MEMBER, THE RATER, HIGHER LEVEL REVIEWER, OR THE PERFORMANCE REVIEW BOARD (PRB). IDENTIFY SOURCE OF ANY SUPPLEMENTARY INFORMATION. IF MORE ROOM IS NEEDED, RECORD ON PLAIN PAPER, SIGN, DATE AND ATTACH. IMMEDIATELY AFTER ANY COMMENTS MADE HERE, THE WRITER MUST SIGN AND DATE SAME.



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202

OCT 3 1988

MEMORANDUM FOR INSPECTOR GENERAL  
DEPUTY INSPECTOR GENERAL  
ASSISTANT INSPECTOR GENERAL FOR ANALYSIS AND  
FOLLOWUP  
ASSISTANT INSPECTOR GENERAL FOR AUDITING  
ASSISTANT INSPECTOR GENERAL FOR AUDIT POLICY  
AND OVERSIGHT  
ASSISTANT INSPECTOR GENERAL FOR CRIMINAL  
INVESTIGATIONS, POLICY AND OVERSIGHT  
ASSISTANT INSPECTOR GENERAL FOR INSPECTIONS  
ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS  
DIRECTOR FOR SPECIAL PROGRAMS  
DIRECTOR FOR INSPECTOR GENERAL REGIONAL OFFICE,  
EUROPE

SUBJECT: Senior Executive Service Performance Planning and  
Appraisal System.

Critical elements and performance standards for members of the Senior Executive Service (SES) within the Inspector General must address matters of DoD policy, as applicable. Section III, Step 1.A. of the Office of the Inspector General, Department of Defense, Senior Executive Service Performance Planning and Appraisal System (page 6) is amended to read as follows:

"1. Critical elements are the major responsibilities of the position. Less than satisfactory performance in a critical element may be the basis for reassigning, removing, or reducing the pay of the senior executive.

"2. The first step in the development of the performance plan is for the rating official and the senior executive (the individual to be rated) to identify the critical elements (that is the most important<sup>est</sup> to be performed).

"3. One critical element must relate to the achievement of equal employment opportunity principles and objectives.

"4. Significant internal control responsibilities assigned to management officials must be measured in performance appraisals, wherever appropriate. Critical elements and performance standards reflecting such responsibilities must be incorporated into the senior executive's performance plan.

\*"5. Performance plans of contracting officers, as applicable, shall include an element that evaluates the ability of such officers to increase contract awards to small disadvantaged business concerns, historically Black colleges and universities, and other minority institutions.

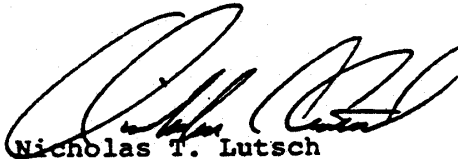
"6. Performance plans of contracting officers shall also address, as applicable, such officers' ability to achieve cost savings and increase competition in the DoD acquisition process.

"7. Resolution of contract audits should be reflected as a critical element in the performance plan of anyone who performs this function.

"8. Performance appraisal of executives who have access to classified information must include comments on the individual's discharge of security responsibilities. This requirement must be reflected in the performance plan."\*

The material in between the asterisks (\*) reflects new requirements for SES performance plans.

If you have any questions on the above, please contact Mr. Gerry Sandaker, Chief, Management-Employment Relations and Development Division, Personnel and Security Directorate, at 693-0257.



Nicholas T. Lutsch  
Assistant Inspector General for Administration  
and Information Management



INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202

OCT 27 1988

MEMORANDUM FOR INSPECTOR GENERAL  
DEPUTY INSPECTOR GENERAL  
ASSISTANT INSPECTOR GENERAL FOR ANALYSIS AND  
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ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS  
DIRECTOR FOR SPECIAL PROGRAMS  
DIRECTOR FOR INSPECTOR GENERAL REGIONAL OFFICE--  
EUROPE

SUBJECT: Senior Executive Service Performance Planning and  
Appraisal System

Reference is made to memorandum, October 3, 1988, subject as  
above.

The Assistant Inspector General for Analysis and Followup has  
brought to my attention that the wording for Item 7 of the  
referenced memorandum does not convey the intent of the  
Department of Defense audit followup directives or Chapter 34 of  
the Office of the Inspector General Policy and Procedures Manual.  
In consideration of the foregoing, he suggested that Item 7 read  
as follows:

"7. Performance appraisals of appropriate  
OIG, DoD, managers shall reflect the degree of effec-  
tiveness in resolving disputed oversight findings and  
recommendations pertaining to their operations and  
resources, and in implementing agreed-upon corrective  
actions."

Please include this requirement in Section III, Step 1.A. of  
the Office of the Inspector General, Department of Defense, Senior  
Executive Service Performance Planning and Appraisal System  
(page 6), and make the appropriate change to the performance plans  
of your Senior Executive Service members.

Nicholas T. Lutsch  
Assistant Inspector General for  
Administration and Information Management



United States  
Office of  
Personnel Management

Washington, D.C. 20415

In Reply, Refer To

Your Reference

JUN 9 1987

•Mr. Artford W. Freese  
Director, Personnel and Security Division  
Department of Defense--Inspector General  
400 Army Drive  
Arlington, VA 22202

Dear Mr. Freese:

The purpose of this letter is to approve the Performance Management System (PMS) Plans required under section 430.103(b) of Title 5, Code of Federal Regulations.

The following plan for the Department of the Defense--Inspector General is approved:

Performance appraisal plan for the SES (required at 5 U.S.C. 4312).

Any proposed changes to the PMS plan must be submitted to this office for prior approval if the change would affect a provision of the plan covered by regulation or law. Any other changes also should be sent to us in order that we are assured of maintaining updated copies of your plans in our files.

Sincerely,

*Barbara L. Fiss*

Barbara L. Fiss  
Assistant Director  
for Pay and Performance/PSO

CON 114-24-3  
JUN 1987